

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

9 4 — 0 2 0

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

April 16, 1994

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447

7. FEDERAL BUDGET IMPACT:

a. FFY 1994 \$ 3,429

b. FFY 1995 \$ 3,429

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A
Pages 4a and 269. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):Attachment 4.19-A
Pages 4a and 2610. SUBJECT OF AMENDMENT: Hospital Services Reimbursement Plan change implemented during the
April - June 1994 quarter. Plan change to the Federal Reimbursement Allowance (FRA)
payment methodology.

11. GOVERNOR'S REVIEW (Check One):

- ☒
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Gary J. Stangler

14. TITLE:

Director, Department of Social Services

15. DATE SUBMITTED:

June 28, 1994

16. RETURN TO:

Missouri Department of Social Services
Division of Medical Services
P. O. Box 6500
Jefferson City, MO 65102-6500**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

6/30/94

18. DATE APPROVED:

AUG 02 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

4/16/94

20. SIGNATURE OF REGIONAL OFFICIAL:

Nanette Foster Reilly

21. TYPED NAME:

Nanette Foster Reilly

22. TITLE:

Acting ARA for Medicaid & State Operations

23. REMARKS:

cc:

Martin

Vadner

Watte

CO:

SPA CONTROL

Date Submitted

6/29/94

Date Received

6/30/94

XXIII. Incentive Payments for FFY 94. Incentive payments shall be granted to hospitals that have a current Title XIX (Medicaid) provider agreement with the Department of Social Services, except those hospitals eligible to receive a UCACI or safety net adjustment in accordance with 13 CSR 70-15.010(17)(B) or (19).

- A. Obstetric Service Incentive. Hospitals which rank in the top twenty (20), for calendar year 1991, in the number of Missouri Medicaid births delivered at that hospital compared to Missouri Medicaid births delivered at all hospitals, or disproportionate share hospitals, shall receive an annual incentive payment of two hundred dollars (\$200) per Medicaid birth for calendar year 1991 as determined per Medicaid and live birth records by the Department of Health. The annual incentive payment shall be allocated and paid over the twenty-four (24) annual Medicaid payrolls starting in federal fiscal year 1995. For the remainder of FFY 1994, the annual incentive shall be allocated and paid over the seventeen (17) Medicaid payrolls from January 21, 1994 through September 30, 1994.
- B. Children's Hospital Incentive. Children's hospitals shall receive an annual incentive adjustment equal to thirty percent (30%) of their Medicare/Medicaid contractual payment after imposition of the Medicare/Medicaid cap but not including the MMCP or other incentive payment. The annual incentive payment for FFY 1994 shall be allocated and paid over the remaining Medicaid payrolls from February 7, 1994 through September 30, 1994. The annual incentive payment starting in FFY 1995 shall be allocated and paid over the twenty-four (24) annual Medicaid payrolls.
- C. Primary Care Incentive.
 - 1. A Primary Care Incentive described in this section shall be paid to each hospital which has, or provides assurance that it will have, one or more clinic locations qualifying as a Hospital-Sponsored Primary Care Clinic (HSPCC) for at least five (5) months of any Federal Fiscal Year. The annual Primary Care Incentive payment shall be equal to \$57,500 plus 1.5% of the sponsoring hospital's MMCP for that Federal Fiscal Year.
 - 2. Following approval of the Hospital-Sponsored Primary Care Clinic Application by the Division of Medical Services, the Primary Care Incentive payment shall be allocated equally to the remaining Medicaid payrolls in the Federal Fiscal Year.
 - 3. If the sponsoring hospitals fails to maintain at least one HSPCC location for at least five (5) months of any Federal Fiscal Year, the Primary Care Incentive payments shall be recouped from the sponsoring hospital in full.

**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN - 94-20

REIMBURSEMENT TYPE: Inpatient hospital X

PROPOSED EFFECTIVE DATE: April 16, 1994

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for inpatient hospital services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. _____
2. With respect to inpatient hospital services - -
 - a. 447.253 (b) (1) (ii) (A) - The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs. _____
 - b. 447.253 (b) (1) (ii) (B) - If a state elects in its State plan to cover inappropriate level of care services (that is, services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing services or intermediate care services) under conditions similar to those described in section 1861 (v) (1) (G) of the Act, the methods and standards used to determine payment rates must specify that the payments for this type of care must be made at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861 (v) (1) (G) of the Act. _____

If the answer is "not applicable," please indicate:

Rev 2 (4/12/95)

State Plan TN# 94-20 Effective Date 4/16/94
Supersedes TN# _____ Approval Date AUG 02 2001

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- c. 447.253 (b) (1) (ii) (C) - The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality. _____
4. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
- a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. _____
- b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. _____
- If there are no State-operated facilities, please indicate "not applicable:" _____
- c. 447.272 (c) - Aggregate disproportionate share hospital (DSH) payments do not exceed the DSH payment limits at 42CFR 447.296 through 447.299.
- d. Section 1923 (g) _ DSH payments to individual providers will not exceed the hospital-specific DSH limits in section 1923(g) of the Act. _____

B. State Assurances. The State makes the following additional assurances:

1. For hospitals - -
- a. 447.253 (c) - In determining payment when there has been a sale or transfer of the assets of a hospital, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership, more than payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital -indebtedness, return on equity)if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.

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3. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. _____
 4. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. _____
 5. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. _____
 6. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. _____

Notice published on:

April 15, 1994

If no date is shown, please explain:

-
-
-
7. 447.253 (i) - The State pays for inpatient hospital services using rates determined in accordance with the methods and standards specified in the approved State plan. _____

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: Hospital

For hospitals: The Missouri Hospital Plan includes DSH payments in the estimated average rates. However, the DSH payments included in the estimated average rates do not represent the total DSH payments made to hospitals under the Missouri Medicaid Plan.

RH-DSH included

Estimated average proposed payment rate as a result of this amendment:
\$ 647.05

Average payment rate in effect for the immediately preceding rate period:
\$647.05

Amount of change: \$0.00 Percent of change: 0.0%

Estimated DSH payments not in average payment rate as a result of this amendment: \$

Estimated DSH payments not in average payment rate immediately preceding amendment: \$

Amount of change: \$0.00 Percent of change: 0.00%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:
- (a) The availability of services on a statewide and geographic area basis:
This amendment will not effect the availability of short-term or long-term services.
 - (b) The type of care furnished: This amendment will not effect hospital services furnished to Medicaid eligibles.
 - (c) The extent of provider participation: This amendment will assure recipients have reasonable access taking into account geographic location and reasonable travel time to inpatient hospital services.
 - (d) For hospitals - - the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs:
It is estimated that disproportionate share hospitals will receive 100% of its Medicaid cost for low income patients with special needs.